

31 AUG 1981

Executive Registry
81-2171

NOTE FOR: DDCI and DCI

FROM : Walter Elder

The attached status report (in two sections)
is submitted for your information.



WALTER ELDER

Feb -
NFIB STAT

Attachment

INFORMATION

NFIB-NFIC: 9 March - 1 September 1981: A Status Report

On 9 March 1981, Mr. Casey announced a restructuring of the National Foreign Intelligence Board (Board) and the establishment of the National Foreign Intelligence Council (Council).

On 12 March 1981, Admiral Inman presided at the first meetings of these senior advisory instrumentalities to the DCI and laid down the guidelines for their functioning.

As of 1 September 1981, the Board had held eleven meetings; the Council four. In keeping with its charter to provide advice on substantive issues by those who are involved in production, collection, and processing, the Board has considered 13 national intelligence productions (NIE's, SNIE's, an IIM, and a Memorandum to Holders); advised the DCI on a number of issues related to compartmentation; discussed critical situations (Poland); reviewed collection plans; and exchanged views on matters of common interest. The Council has met twice to proffer its views on an executive order governing national foreign intelligence activities; participated in a review of the FY 1983 National Foreign Intelligence Program; and advised the DCI on security standards in which the Office of the Secretary of Defense has a large equity.

Under its responsibilities to advise the DCI, the Board's function with respect to production, review, and coordination of national foreign intelligence has been completely revitalized and appears to be functioning smoothly under the procedures issued on 27 July 1981. This is not to judge the quality of the product.

Interagency exchanges of foreign intelligence information (carried over from EO 12036) has not been an active issue.

Arrangements with foreign governments on intelligence matters is being reviewed in part at the direction of the DCI as stated in the Board meeting on 28 May 1981. This review is aimed at the specific issue of coordinating intelligence presentations to foreign officials and presumably is not yet ready for resolution. There is a larger issue here which includes participation in international intelligence conferences and the scope of the DCI's authority over all intelligence exchanges with foreign entities.

The protection of intelligence sources and methods has been considered by the Board on two occasions. The DCI has been provided advice on a number of compartmentation issues involving the protection of collection methods, the use of products acquired by sensitive collection methods, and some specific issues related to the establishment of common security standards. The larger issue, which reflects some 35 years of confusion about the DCI's responsibilities and authorities in the protection of sources and methods, will remain open.

Activities of common concern has not been an active issue, but it is there as a category which can be used, for example, in restructuring committee support for the Board and the Council.

Other matters referred to it by the DCI permits the Chairmen and the principals to raise issues of common concern, on or off the record. This has been done. In a way, this category provides the best evidence on the tone of the Board and the Council.

With respect to the Council's charter, assistance and advice to the DCI on matters concerning priorities for national foreign intelligence, is still forthcoming. The Council's consideration of the study of future intelligence capabilities, tentatively scheduled for 15 September 1981, should illuminate this issue and the Council's own capabilities. Admiral Inman has said (at the 12 March meeting) that the question of responding to the NITS might be referred to the Council. This could be a follow-on to the future capabilities study.

On the National Foreign Intelligence Program budget, the Council did review the FY 1983 program on 24 July. The Acting Chairman made it clear that the budget review should be aimed at targets rather than systems, the identification of production and collection gaps, measures to improve the quality of analysis, and a weighing of the contribution of various collection systems in support of analysis.

On other matters as the Chairman may direct, the Council has provided advice on an issue related to security standards.

The major new perspective by the Board stems from the revitalization by the DCI and DDCI of the national intelligence production process. Since 12 March 1981, when Admiral Inman first described Mr. Casey's views on the role of national estimates, there has been a growing awareness by the principals that the estimates must be more broadly-based, more timely, and more relevant to policy issues. During the consideration of specific estimates (Terrorism and Cuban Policy Towards Latin America), the principals realized that they needed to involve themselves personally in all phases of the production process. With the issuance of agreed procedures on 27 July 1981, there is now in place an orderly process for the production and coordination of SNIE's, NIE's, and IIM's. The tightened deadlines have created some pressures, but to date the new procedures are working.

A major accomplishment by the DCI and the DDCI has been to impart to the principals the sense that they will be consulted and heard. The restriction of attendance has resulted in better presentations by the principals and a candor in the discussions which is in sharp contrast to the perfunctory nature of Board meetings during recent years. The net result may be a return to the former status of national intelligence estimates when they were recognized as a major contribution to the national security decision-making process because they presented the

best judgments of professionals based on an examination of all relevant evidence. Estimates, even when they included sharp differences of opinion, were once taken as judgments which the policymaker could ignore only at his peril.

The DCI and DDCI have stressed their intention to protect their responsibilities without seeking to expand authorities unduly. An effort by some principals to bind the DCI to seek and be bound by Community advice reflects a recurrence of an ideological debate which has persisted since 1947. Because of the DCI's special advisory relationship to the President and the NSC and because of his personal responsibility for the national intelligence estimates, he stands tallest among the other principals and may be obliged to reject their advice. This special status is known throughout the Community, but steady reference to it tends to create resistance to the concept. This creative tension affects the production of national intelligence, the guidance to collection systems, the allocation of resources, the establishment of security standards, and any other aspect of Community relations where the DCI is perceived as intruding on established authorities.

The DCI and DDCI have other relationships with the senior levels of government where policy issues may be considered. For this (and other) reasons, the emphasis on treating the Board and Council principals as intelligence professionals and not as departmental policy advocates needs to be reinforced.

The Board and the Council can be made more productive in their role of providing advice to the DCI in the following major areas of his responsibilities:

- Production of national intelligence
- Guidance to collection systems
- Allocation of resources
- Protection of sources and methods
- Provision of planning, objectives, and priorities
- Provision of adequate processing capabilities
- Liaison with foreign governments
- Provision of advanced research and development
- Advocacy to the White House and the Congress

First, they should face-up to the Community-wide problem of improving the quality of analysis. This is the key to the performance of the National Foreign Intelligence Community.

Second, the principals lack a support structure through which Community issues can be identified for their consideration or to which issues can be referred by the DCI, DDCI, or the Board for staff work and return to the Board. The existing committee structure is not adequate. The Critical Intelligence Problems Committee can play a key role in focussing on the identification and study of production and collection issues.

Third, there is a need for a more organized procedure to see that DCI decisions, based on Board concurrence, are carried out. His guidance is not ignored, but in some instances periodic reports may be required to assess the degree and impact of compliance. This was a weakness of the CCPC. Once its recommendations were approved, the subject was dropped, and a new study started.

The Board and the Council can play a more useful role in assisting and advising the DCI and the DDCI in the task of rebuilding the National Foreign Intelligence Community. Their charters are adequate, and even though the representation may be somewhat uneven, there has been an encouraging awareness over the past six months that there is little to be gained by seeking to revive ideological disputes over responsibilities and authorities.

The creative tensions which stem naturally from the diverse interests of the members of the Community can contribute to the strength of the Community. So long as there are honest differences of opinion frankly stated, and so long as the estimates distinguished carefully between hard evidence and informed speculation, then the policymaker is best served by a range of judgments.

Finally, there has been since 1946 a fundamental dichotomy between the civilian and military members of the Intelligence Community on the nature of the threat to our national security. This debate waxes and wanes. At the moment, there is a strong thrust to view the Soviet military threat as overriding and to perceive Soviet machinations behind many of the problems which confront U.S. foreign policy. It is an awesome responsibility to maintain an objective perspective on these and other threats to our national interests, and I respectfully submit that the Board and Council may be a unique forum in the nation where the facts can be weighed by professionals without a policy bias and objective judgments brought to bear on national security issues. It was once so and can be again.

Some amplifying observations for the DCI and DDCI are contained in an EYES ONLY annex.

TRANSMITTAL SLIP		DATE
TO: DCI		
ROOM NO.	BUILDING	
REMARKS: 18 SEP 1981 Walt - would like to see your analyses on NSCID + DCID structure - no matter how massive WJC		
FROM: ExecSec/NFIB		
ROOM NO.	BUILDING	EXTENSION

Some Observations on NFIC and NFIB in Advising and Assisting the DCI and DDCI

1. The 27 July 1981 procedures for producing national intelligence seem to be working well.

I respectfully submit that the Board needs to be better informed and in advance about scheduled productions. It might be helpful to have the Chairman of the National Intelligence Council attend the Board meetings on a regular basis to alert the principals to upcoming NIE's and SNIE's and to discuss substantive or procedural problems. The principals have other responsibilities, and it is not always easy for their action officers to gain direct and immediate access. The NIO's also need a more orderly approach in carrying out the 27 July 1981 procedures.

I respectfully submit that the cause of improving the quality of analysis could be advanced by the establishment of a regular mechanism to evaluate national intelligence products. Analysis of an estimate or the process of producing the estimate can identify gaps in analysis, gaps in collection, and the need for reallocating resources. I consider the Senior Review Panel's analysis of the issue of [redacted] to be an outstanding example of such an analysis.

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2. The invitation to the Community to submit items for the agenda remains open, but it is clear to me that, except for infrequent briefings such as [redacted] the initiative for agenda items will rest with the NIC, the DCI, and the DDCI. This is a fact, not a problem.

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I respectfully submit that a reconstituted Intelligence Community Staff, especially the Critical Intelligence Problems Committee, can play a key role in focussing Community attention on issues worthy of Board consideration. The Security Committee has already done so on issues under its purview to a certain extent. The Human Resources Committee has received the Board's endorsement for its collection plans. In the case of the SIGINT Committee and COMIREX, I wonder if the current cast of principals has a firm grasp of what the imagery and SIGINT collection systems are made up of and what they contribute to the quality of the product. I wonder, too, if the ICS, as presently constituted, can give sufficient weight to the views of the analysts for whom the data is collected.

3. The DCID 1/2 exercise continues to rearrange priorities, annually and on an ad hoc basis, but it is vertiginous to contemplate the management of some 16,000 requirements.

I respectfully submit that the problem of trying to respond to the NITS, requirements derived from the NITS, and other requirements accepted by various elements of the Community has led to a proliferation

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and diffusion of priorities; has heightened the sense of a dichotomy between civilian and military intelligence needs; and may have led to the creation of peripheral capabilities.

If there is an issue here, I respectfully suggest a reconstituted committee to come to grips with it and an eventual consideration by the Council.

4. Once the executive order is issued, there will be a need to reexamine the NSCID and DCID structure. They are outmoded and, in some cases, misleading.

I respectfully submit that this exercise be carried out under the close supervision of the DCI and the DDCI; that it not be turned over to an Intelligence Community task force as in the case of the executive order; and that a review by legal counsel be auxiliary, not primary.

An orderly set of directives is not crucial to the conduct of intelligence activities (it was when we were drawing territorial boundaries years ago), but the existence of such heads off a lot of jurisdictional disputes. Revision of the directives can, if not controlled, eat up a lot of resources and reopen a whole bag of dead issues.

For your information, I did an analysis of the NSCID and DCID structure for the previous DCI. It's massive, but it might be useful for someone sometime.

5. Given the new role of the ICS, and especially the establishment of the CIPC, there needs to be an element immersed in the production phase of intelligence to ensure that collection and allocation of resources are geared to the needs of the analysts, and, ultimately, to the requirements of the policymakers.

I respectfully submit that, in support of the Board's role in advising on substantive intelligence issues, consideration be given to the constitution of a generic production committee, but only if the consideration of ad hoc problems falls short of the mark.

7. The Executive Secretariat (both of us) is most grateful for the crisp, prompt guidance and responsiveness under tight deadlines from the DCI, the DDCI, the principals, and a cooperative cast of action officers. We intend to proceed on our present course and try to remain offstage, except on rare occasions, such as this. I don't see why you should be denied all the benefits of my 30 years in the profession.

8. The contributions of the Board representatives are uneven, and their participation in production, collection, and processing varies widely. It is evident from the meetings where the real capabilities reside and where principals are trying to contribute when silence might be a more prudent course.

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I respectfully submit that a continuing effort be made to emphasize the role of those who have a substantive contribution to make and to reduce the role of those who attend in another role.

I respectfully submit further that there is a danger that the reason for continuing the participation of the military intelligence service chiefs after USIB was reorganized in 1961 may have been obscured. The service chiefs are there because of their particular service expertise. I fear the Military Intelligence Board may become a vehicle for ensuring a uniform Defense position. This may not affect non-substantive issues adversely, but it is not heartening to listen to a steady chorus of service concurrences with the DIA position on substantive topics. One hopes the service chiefs will make their views known independently; some have.

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ROUTING AND RECORD SHEET

81-2171

SUBJECT: (Optional)

FROM:

Executive Secretary, NFIB

EXTENSION

NO.

DATE

31 AUG 1981

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. *me*
DCI*Rec'd 9/1/81 18 SEP 1981 wjc*2. *ES/NFIB**To 2: See DCI's note on Exps Only Memo.**Debby:
File, sup*

STAT

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1. *me*
DDCI

2.

3. *Weldos, ex Sec NFIB*

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

per your request. [initials]

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